

Block I: Framework of the U.S. Health System (Dr. Barbour)

History and Evolution of Health Services in the US

Describe significant trends and events during the major periods of development for the U.S. health care system:

- Understand the causes of shifts in the source and form of payment for health care in the United States in the past century.
- Be able to describe the major political events that have shaped American medical health care delivery, as it exists today.

Understand how the basic social, political and economic forces affected the development of health services in the US:

- Discuss the major public perceptions problems that the health system dealt with during each of the periods
- Understand the contrast between what happened in the US v. the development of health care delivery in other developed countries

Government Healthcare Delivery Systems

Identify the major federal health care delivery systems and discuss their differences and similarities

- Be able to discuss the creation and major historical points of the Military Health System, the Veterans Health Administration and the Public Health Service in American medicine.
- Understand the differences in the populations served by each of these entities and how those differences affect their budgeting and health care delivery system structures.

Discuss the evolution and current issues surrounding federal health care financing in the United States

- Understand the conundrum of rising costs and increased third party (federal) coverage for more care.
- Discuss concerns of state executives with current federal health care funding policies.

Understand the role of each level of government in providing public health services and protecting the population.

- Compare and contrast the role of the state v. that of the federal government during times of disaster or health care crisis.

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Current Sectors of Health Care Delivery

Understand the role of the hospital, clinic, long-term care facility and home as the site of care in the U.S. today

- Be able to discuss the reasons for the changes over the past 25 years in the way in-patient care is being delivered in the US today.
- Understand the role of home health care as a potential for reducing costs of care to payers.

Understand the role of ambulatory care services, acute care services and long-term care services in a proper continuum of care

- Discuss advantages of vertical integration in health care delivery systems in terms of both cost and quality.

Understand the various settings and arrangements for delivering mental health services

- Be able to articulate the effect of managed care on the access and availability of mental health services.

Grasp the political and social issues that are shaping the types and sites of health care delivery in the U.S. at present

- Identify the major forces that are shifting care from the in-patient setting to out-patient, long-term care and the home.

Current Issues of Healthcare Delivery: Workforce, Staffing, Quality, Cost

Describe the growth and changes in the composition of the health profession workforce during the past century

- Describe the changes in proportion of physicians, nurses and other professional in the American health care workforce in the 20th century.
- Understand the social and political forces that have molded these changes.

Appreciate the potential impact of physician extenders in health care delivery

- Discuss various types of physician extenders and the rationale for the development of each professional category.
- Grasp the impact that these extenders have made on American medicine and the arguments for expanding and contracting their availability.

Discuss the importance of managed care in creating major transitions in the healthcare workforce in recent years

- Understand what shifts in workforce have occurred since 1960.
- Be able to describe the role of managed care in initiating or accelerating such shifts and changes.
- Discuss whether such affect is appropriate from the context of cost, quality or access.

Block II: Resource Issues in the Healthcare System (CDR Whitmeyer)

Trends in Healthcare Spending, Government Funding of Healthcare, Impact of Managed Care

Discuss current trends in healthcare expenditures and reasons for the changes

- Increasing costs, relative effects of price inflation vs. utilization
- Impacts of technology, demographics, economic factors, regulation and oversight

Describe the mechanisms and programs for government financing of healthcare

- Direct vs. Indirect government spending on health system
- Medicare, Medicaid, VHA, Tricare, BOP, and IHS

Evaluate the impact of managed care on health expenditures

- Early managed care vs. mature managed care
- Continuum of managed care – amount of control over utilization and costs

Healthcare Insurance, Payment Methods

Understand the history, structure and role of health insurance

- Insurance as a means of minimizing risk, risk pooling
- Emergence of third party payor
- Early 19th century employer focus of keeping employees on the job
- Predominance of employer-sponsored defined benefit plans

Differentiate various health insurance provisions, terms, conditions and product types

- Provisions – Basic medical plans, Comprehensive major medical plans, catastrophic plans
- Terms – Community rating, risk pooling, adverse selection, moral hazard
- Conditions – Premiums, deductibles, co-payments
- Types – Group, Self insurance, Individual private health insurance and managed care plans

Differentiate basic payment methods: salary; fee-for-service; case-based and capitation

- Use of these methods by third party payors to reimburse providers

Discuss alternatives to employer-sponsored health insurance

- National or social health insurance models
- Association sponsored health plans
- Tax subsidy for individually purchased health insurance

Tax subsidy for defined contribution plans or Medical Savings Accounts

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Healthcare Economics: Characteristics of the Healthcare Market, Supply and Demand, Competition and Equilibrium, Policy and Regulatory Implications

Discuss the applicability of economics to healthcare and describe the fundamental characteristics of the healthcare market

- Reasons why healthcare does not operate as a normal market
 - Existence of 3rd party payors
 - Ability for price setting (bargaining power of consumers)
 - Information Asymmetry
 - Quantifying Outcomes
 - Externalities

Examine and debate the rationale for government intervention in healthcare

- Effect of government regulation of prices on suppliers
- Individual choice (autonomy) versus government control
- Government's role in protecting consumers

Understand the conditions of a competitive market, market equilibrium and the consequences of violating conditions of perfect competition

- Competitive market conditions: perfect information, many buyers and sellers, a uniform product and freedom of entry and of exit - which ensure that firms are price takers, producing for the lowest possible cost in the long run and only earning normal profitsMarket equilibrium: situation that exists when a quantity buyers wish to purchase is exactly balanced by the quantity suppliers wish to sell, there is no tendency to the market price to increase or decrease.
- Consequences of violating perfect competition: excess supply, excess demand, monopoly, oligopoly, competition limited, prices not regulated by supply and demand, barriers to entry/exit in marketUnderstand the role of consumer information in decision-making
- Information needed for rational decision making

Discuss the need for rationing in healthcare and implications of alternative allocation mechanisms

- Fundamental economic principles
 - Resources are scarce in relation to wants
 - Resources have alternative uses, making choice (rationing) necessary and inevitableThere are significant variations in the relative importance that different people attach to different wants, making unique solutions in the allocation of resources unlikely
- Rationing is necessary when demand exceeds supply
- Allocation methods include competitive market, social justice or combination (see paper 4)

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Future Directions

Discuss the major resource challenges facing the US healthcare system

- Rising costs, greater number of uninsured
- Demographic changes, elder care
- Increased emphasis on quality, outcomes, patient safety, privacy and confidentiality all impacting costs

Postulate future changes in managed care, government finance policy, and private healthcare insurance

- Consumers demanding more flexibility in managed care plans, with increased costs likely to result
- Government spending will be stressed, especially at State and local levels
- More costs likely to be passed to consumer

Pressure on government tax policy to create more alternatives to employer sponsored insurance

Block III: Assessment and Regulation of Health Services (LCDR Krauz)

Health Policy, Legislative Process, Legal and Ethical Issues

Understand the evolution of the federal government's role in setting health policy (Williams and Torrens, p.353-370).

- Public programs account for approximately 40% of the nation's personal health care expenditures
- Federal health programs evolved
 - Because of failures in the private sector to provide necessary support
 - Evolved in a piecemeal manner, functions with private sector are becoming increasingly interrelated, and roles are often poorly delineated

Understand the ethical and legal issues surrounding the organization, management, assessment and delivery of health services. (William and Torrens, p. 393-409)

- Understand the concepts of autonomy, beneficence, and justice, and how to use these concepts to make decisions regarding the following issues:
 - Allocation of scarce resources
 - Evaluating scientific evidence
 - Measuring of quality of life
 - Imposing mandates by legislation
 - Utilization of expensive medical technology
 - Geographic, cultural, gender and racial inequities
 - Resource management – personnel, facilities, drugs, equipment and knowledge
 - Economic disparity
- Explain what tools are available to help make ethical decisions in health services (review reading: Williams and Torrens, p.409-410)
 - Ombudsmen
 - Institutional review boards
 - Ethics committees
 - Standards set by professional associations
 - Practice guidelines
 - Financing mechanisms
 - Courts of law

Demonstrate an understanding of the intent, provisions and impact of the Health Insurance Portability and Accountability Act (**HIPAA**) through discussion. (PDF article: Executive Summary of HIPAA Provisions)

- Focus on the issues of “**Administrative Simplification**” and “**Confidentiality**”
- Also, be familiar with compliance issues stemming from the HIPAA provisions (PDF article: Why HIPAA Hasn't Hit)

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Assessing and Improving Healthcare

Understand the complexity of defining and measuring quality of care (Williams and Torrens pp. 374-375, 387)

- Art vs the technology of healthcare (patient perceptions)
- Differing perceptions of quality among providers, patients and financers of healthcare
- Historically, quality measures have taken a back seat to cost measures
- Variation in healthcare and variations in measurement methodologies
- In the past, focus was on individuals and only limited information was available on populations
- Inadequate data systems and reporting methods – misuse of data

In terms of improving healthcare, explain the rationale behind developing and implementing practice guidelines, and explain why some physicians are reluctant to adopt them into their practice (Williams and Torrens pp 380 – 386)

- Definition: Practice guidelines: “Systematically developed statements to assist practitioner decisions about appropriate health care for specific clinical circumstances.”
- Goals:
 - Improve clinical decision making
 - Decrease undesirable variations
 - Improve quality of care
 - Decrease costs
- Challenges for adoption by Physicians
 - Perception that guidelines are disciplinary
 - Stigma of “cookbook medicine”
 - The belief that guideline development process is too costly

Discuss perceived quality shortfalls in United States healthcare, and offer solutions for improvement (User’s Manual for Quality Chasm Report)

- The recent identification and impact of medical errors
- Explain changes that can be made at the following levels to improve the entire system
 - Experience of patients and communities
 - Microsystems of care
 - Health Care Organizations
 - Health care environment
- Know the terms: underuse, overuse and misuse